

September 12, 2012

ITEM NO. B1

AUTHORIZATION FOR THE CHA TO AWARD CONTRACTS FOR GENERAL LIABILITY, EXCESS LIABILITY, PUBLIC OFFICIALS LIABILITY, EMPLOYED LAWYERS ERRORS & OMISSIONS LIABILITY, EMPLOYMENT PRACTICES LIABILITY, AUTO LIABILITY, CRIME AND FIDUCIARY LIABILITY, AND ALL-RISK PROPERTY INSURANCE COVERAGE

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to purchase the following insurance coverage for the CHA for the period of October 1, 2012 through September 30, 2013, for an aggregate amount not-to-exceed \$1,242,985 through its insurance broker of record, AON Risk Services Central, Inc. ("AON"): (1) General Liability coverage written through RSUI in an amount not-to-exceed \$35,224; (2) Excess Liability coverage written through RSUI in an amount not-to-exceed \$56,980; (3) Auto Liability written through The Hartford in an amount not-to-exceed \$32,415; (4) All Risk Property written through Lexington, Axis, RSUI and QBE in an amount not-to-exceed \$913,006; (5) Public Officials E&O written through Ironshore in an amount not-to-exceed \$101,609 and Ace in an amount not-to-exceed \$56,070; (6) Employment Practices Liability written through National Union in an amount not-to-exceed \$10,904; (7) Employed Lawyers Errors and Omissions Liability written through Illinois National Company in an amount not-to-exceed \$12,250; (8) Crime written through Berkley Regional in an amount not-to exceed \$13,000; and (9) Fiduciary written through National Union in an amount not-to-exceed \$11,585.

The Executive Vice President (EVP) of Finance, the Office of the General Counsel and the Office of Procurement have completed all necessary due diligence to support the submission of this procurement and recommend the approval of this item accordingly.

CORPORATE GOAL

The CHA must protect its assets by annually evaluating its insurance needs and procuring appropriate insurance coverage to protect its assets, financial interests and make it more fiscally sound.

FUNDING: General Fund

SOLICITATION SUMMARY

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|-------------------------|---|
| Vendor: | RSUI, Hartford, Lexington, Axis, Torus, QBE, Ironshore, Ace, Chartis, and Berkley; via Aon Risk Services Central, Inc. 200 East Randolph Street Chicago, IL 60601 |
| Contract Type: | Insurance Coverages |
| Contract Amount: | \$1,243,043 |

Contract Period: October 1, 2012 – September 30, 2013
M/W/DBE Participation: NA - See attached waiver
Section 3: NA - Considered Supply & Delivery

GENERAL BACKGROUND

Aon directly and indirectly (through one wholesaler) solicited requests for insurance premium quotes from 28 carriers (most with the ability to quote multiple lines of coverage) on July 1, 2012. This year, Aon received quotes from several new carriers. However, after an executive review of the proposals, CHA has decided to remain with all of the incumbent insurers except for one. After reviewing the responses, AON and CHA's Risk Management Department recommend that the above mentioned insurers provide the required insurance coverage for CHA for the Period October 1, 2012 through September 30, 2013.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and applicable federal (HUD) procurement laws.

The EVP of Finance concurs with the recommendation to purchase insurance coverage through its Broker of Record with the same policy limits and retention levels for all lines as in the prior year's program.

The CEO/President recommends the approval to execute contracts for insurance coverage for the CHA, for the period of October 1, 2012 through September 30, 2013, for an aggregate amount not-to-exceed \$1,243,043.00 through its insurance broker of record, AON Risk Services Central, Inc.

RESOLUTION NO. 2012-CHA-67

WHEREAS, The Board of Commissioners has reviewed the memorandum dated September 12, 2012 entitled “**AUTHORIZATION FOR THE CHA TO AWARD CONTRACTS FOR GENERAL LIABILITY, EXCESS LIABILITY, PUBLIC OFFICIALS LIABILITY, EMPLOYED LAWYERS ERRORS & OMISSIONS LIABILITY, EMPLOYMENT PRACTICES LIABILITY, AUTO LIABILITY, CRIME AND FIDUCIARY LIABILITY, AND ALL-RISK PROPERTY INSURANCE COVERAGE**”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to award contracts for the following insurance coverage for the CHA for the period of October 1, 2012 through September 30, 2013 for an aggregate amount not-to-exceed \$1,243,043, through its insurance broker of record, Aon Risk Services Central, Inc. (“Aon”): (1) General Liability coverage written through RSUI in an amount not-to-exceed \$35,224; (2) Excess Liability coverage written through RSUI in an amount not-to-exceed \$56,980; (3) Auto Liability written through The Hartford in an amount not-to-exceed \$32,415; (4) All Risk Property written through Lexington, Axis, RSUI and QBE in an amount not-to-exceed \$913,006; (5) Public Officials E&O written through Ironshore in an amount not-to-exceed \$101,609 and Ace in an amount not-to-exceed \$56,070; (6) Employment Practices Liability written through National Union in an amount not-to-exceed \$10,904; (7) Employed Lawyers Errors and Omissions Liability written through Illinois National Company in an amount not-to-exceed \$12,250; (8) Crime written through Berkley Regional in an amount not-to exceed \$13,000; and (9) Fiduciary written through National Union in an amount not-to-exceed \$11,585.

